

Little Hoover Commission
Public Hearing on the Roadmap for Reform
January 22, 2004

*Remarks by Steven C. Szalay, Executive Director
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Thank you for inviting me to participate in today's hearing concerning roadblocks to reform of the State/Local Fiscal System in California. I have had the privilege of participating in at least seven statewide commissions of various configurations devoted to this reform over the past ten years. All these commissions share one thing in common: very little, or nothing happened in the way of reform after their final reports were issued.

I have identified the following roadblocks to reform of the State/Local Fiscal System:

- **Lack of a Complete Plan.** Several of the reform commissions lacked a complete plan of operation that included sufficient time for legislative review and decision-making. As a result, the final report was developed in a very deliberate, thoughtful manner, but the legislative process was hurried and lacked a definitive end game strategy.
- **Lack of Complete Problem Identification.** There is a tendency to launch into reform solutions before the problem is properly framed and analyzed.
- **Lack of Committed Leadership.** Reform efforts are long-term, intense and difficult processes. A leader who is fully committed to reform and willing to devote the necessary time and energy to the reform process is essential to success.
- **Lack of a Strong Public Policy Perspective.** In my opinion, term limits, current reapportionment practices and campaign finance laws have resulted in a very limited number of legislative leaders who are willing to take the time and make the effort to research, build consensus, develop alternative approaches, communicate, sell a final product and pass reform legislation. As California legislators, they must concentrate on raising money for the next campaign, receive credit early for work that is easier and quicker, and plot strategy on how to secure their next elected position. This is reality and there is precious little time to fully engage in long-term reform.
- **Timing Was Wrong.** Experts disagree on what is the appropriate timeframe for real reform to occur. Is it when a crisis is eminent? Is it when the economy is strong and State revenue surpluses abound? California's experience with reform over the past ten years suggests that neither is completely accurate. The existence of a strong political will among legislative leaders and the Governor seems to be essential to a successful reform effort.
- **Lack of Simplicity.** There is a tendency to overwhelm a reform measure with a score of components that makes the final product too complicated. Simplicity is the key to success.

The good news is that these barriers can be overcome with a new approach. One idea may be to bypass the legislative process by appointing an ongoing commission that would have periodic, direct access to the ballot. Legislative involvement could consist of an "up or down" vote only on a reform measure with no or limited ability for the legislature to amend.

Thank you for the opportunity to participate in this hearing. I am very interested in participating in your future reform discussions on behalf of County government in California.